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MEMORANDUM OF CONVERSATION

On 18 November 1986, at 6:00 p.m., Armacost and Sofaer attended a meeting with Adm. Poindexter, at Poindexter's request, in his office. NSC attorney Paul Thompson also attended. Poindexter presented a review of some of the facts of USG arms transfers to Iran. Although Poindexter referred from time to time to a document that appeared to be a chronology, the presentation was not strictly chronological, and was interrupted periodically by questions from Armacost and Sofaer. The following outline emerged:

1. June 1985. The idea of opening a channel to Iran was expressly considered in connection with a proposed NSDD which included arms sales as a strategy. (DOD and State opposed arms sales.)
2. July 1985. Kimche visited the U.S. and proposed to McFarlane that the U.S. allow Israel to transfer some arms to Iran in order to establish a channel to [REDACTED] McFarlane refused expressly to sanction such a shipment, and made clear that the U.S. would not trade arms for hostages. He did express a strong interest, however, in establishing a channel to Iran, and in response to a question he opined that the USG would not stop selling arms to Israel if a transfer occurred. He apparently informed the President of this action.
3. September 1985. A transfer of 508 TOW anti-tank missiles occurred from Israel to Iran. A meeting was held in the President's residence, at which Secretary Shultz was present to discuss this issue. GPS and Weinberger objected, and raised legal obstacles to arms transfer.
4. October-December 1985. Meetings occurred in London and elsewhere between Casey, other CIA officials, NSC personnel, Iranians, and Israelis. Peres chose Nir to represent Israel. These discussions made clear that the September transfer had potentially opened a channel for the U.S. to [REDACTED] who actually attended a December meeting with McFarlane in London. At this meeting, McFarlane laid out USG objectives, and was told by Gorbanifar that Iran could stop hostage taking, and that Khomeini had issued a Fatwa (pronouncement) that terrorism is inconsistent with the Koran.

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5. December 1985. A meeting was held at the President's residence, attended by Weinberger, McFarlane, and Meese. (Poindexter was unclear as to Secretary Shultz's presence.) The President heard a report on the project, as well as all views, and was told by the Attorney General that he could lawfully proceed with the plan as an intelligence operation. The President decided to go ahead and ordered a finding prepared.

6. January 17, 1986. A finding on Iran was signed. (Poindexter showed it to Armacost and Sofaer. It is well drafted, and stresses the strategic issues, mentioning the return of hostages as the third objective being sought.)

7. February-April 1986. Meetings took place between representatives of the U.S. (NSC, CIA), Israel, and Iran [REDACTED]. The Iranians with whom the U.S. was in touch were young and claimed a need to demonstrate through arms transfers (specifically including TOWs) that they were dealing with the USG. The U.S. periodically gave the Iranians intelligence [REDACTED]

[REDACTED] Additional shipments of arms were also provided during this period, specifically 1000 TOWs, plus 508 TOWs to replenish Israeli shipment in September 1985.

8. May 1986. McFarlane visited Tehran and attempted to establish higher contacts. He met advisers of the leadership, but none of the three top leaders was willing to meet him. The Iranians wanted the meetings, but failed to prepare for the visit. (Poindexter gave Armacost a copy of the talking points prepared for McFarlane's use in Tehran.)

9. May-November 1986. Discussions and other activities continued. (Thompson had told Sofaer earlier in the day that at least one shipment of arms may have reached Iran after August 1986, when Congress passed a law prohibiting all transfers to Iran.) The operation became public when an Iranian faction sought to embarrass Rafsanjani, [REDACTED]

Other facts communicated by Poindexter including the following:

-- USG shipped a total of 2008 Tow missiles, and 240 line items (spares, etc.) for Hawk air defense batteries (which U.S. experts believe will prove useless);

UNCLASSIFIED

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-- USG gpc-agreement from Iran [REDACTED]

[REDACTED] Poindexter believes this has been done.

-- Israel agreed to ship only what the USG allowed, but Poindexter believes Israel has shipped what it wanted to ship, though such shipments may now be suspended or slowed;

-- Iran paid in advance for these shipments to Israel, which paid the USG through a "proprietary". Poindexter is sure that the arms merchant took his profit, but does not know how much was paid by Iran, only how much was paid to the CIA and DOD;

-- NSC kept no memcons of any of the meetings involved, Poindexter said. Some recordings do exist, however, of meetings with Iranians. (Sofaer asked that they be transcribed promptly.)

-- At least one contact has been made after public exposure of this channel. The Iranians indicated they were still trying to obtain the release of two remaining American hostages, and to find out the location of the three hostages most recently seized;

-- Poindexter believes the USG should continue to pursue the objectives of the Finding, but did not say anything about future arms transfers. He said that the effort was now less tightly held so State could be more involved.

-- Armacost and Sofaer emphasized the need to prepare all witnesses carefully, and to answer correctly all questions, especially those related to activities prior to January 17.

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## Subjective

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-- The USG got agreement from Iran [REDACTED]  
[REDACTED] (Poindexter believes this diversion  
has in fact occurred.)

-- The NSC states it kept no memcons of any of the relevant meetings. Some tape recordings of meetings with Iranians do exist. Sofaer asked that they be transcribed promptly.

-- Poindexter believes the USG should continue to pursue the objectives of the finding, but did not say anything about future arms transfers. He said the effort was now less tightly held, so the Department could be involved to a greater extent.

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MEMORANDUM OF CONVERSATION

On 15 November 1986, at 9:00 p.m., Armadost and Sofaer attended a meeting with Asm. Poindeexter, at Poindeexter's request, in his office. NSC attorney Paul Thompson also attended. Poindeexter presented a review of some of the facts of USG arms transfers to Iran. Although Poindeexter referred from time to time to a document that appeared to be a chronology, the presentation was not strictly chronological, and was interrupted periodically by questions from Armadost and Sofaer. The following outline emerged:

1. June 1985. The idea of opening a channel to Iran was expressly considered in connection with a proposed USCG which included arms sales as a strategy. DOD and State opposed arms sales.

2. July 1985. Kimone visited the U.S. and proposed to McFarlane that the U.S. allow Israel to transfer some arms to Iran in order to establish a channel to [REDACTED]. McFarlane refused expressly to sanction such a shipment, and made clear that the U.S. would not trade arms for hostages. He did express a strong interest, however, in establishing a channel to Iran, and in response to a question he opined that the USG would not stop selling arms to Israel if a transfer occurred. He apparently informed the President of this action.

3. September 1985. A transfer of 508 TOW anti-tank missiles occurred from Israel to Iran. A meeting was held in the President's residence, at which Secretary Shultz was present to discuss this issue. GPS and Weinberger objected, and raised legal obstacles to arms transfer.

4. October-December 1985. Meetings occurred in London and elsewhere between Casey, other CIA officials, NSC personnel, Iranians, and Israelis. Peres chose Nir to represent Israel. These discussions made clear that the September transfer had potentially opened a channel for the U.S. [REDACTED] who actually attended a December meeting with McFarlane in London. At this meeting, McFarlane laid out USG objectives, and was told by Gorbanifar that Iran could stop hostage taking, and that Khomeini had issued a Fatwa (pronouncement) that terrorism is inconsistent with the Koran.

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8. December 1985. A meeting was held at the President's residence, attended by Weinberger, McFarlane, and Tease. 3975

Polindexter was unclear as to Secretary Shultz's presence.) The President heard a report on the project, as well as all views, and was told by the Attorney General that he could lawfully proceed with the plan as an intelligence operation. The President decided to go ahead and ordered a timeline prepared.

9. January 17, 1986. A finding on Iran was signed. Polindexter showed it to Armacost and Soraer. It is well drafted, and stresses the strategic issues, mentioning the return of hostages as the third objective being sought.)

10. February-April 1986. Meetings took place between representatives of the U.S. (USG, CIA), Israel, and Iran. [redacted] The Iranians with whom the U.S. was in touch were young and claimed a need to demonstrate through arms transfers (specifically including TOWs) that they were dealing with the USG. The U.S. periodically gave the Iranians intelligence to attempt to convince them that Iran could not win the war with Iraq. Additional shipments of arms were also provided during this period, specifically 1000 TOWs, plus 508 TOWs to replenish Israeli shipment in September 1985.

11. May 1986. McFarlane visited Tehran and attempted to establish higher contacts. He met advisers of the leadership, but none of the three top leaders was willing to meet him. The Iranians wanted the meetings, but failed to prepare for the visit. Polindexter gave Armacost a copy of the talking points prepared for McFarlane's use in Tehran.)

12. May-November 1986. Discussions and other activities continued. (Thompson had told Soraer earlier in the day that at least one shipment of arms may have reached Iran after August 1986, when Congress passed a law prohibiting all transfers to Iran.) The operation became public when an Iranian faction sought to embarrass Rafsanjani. [redacted] became (and may still remain) the USG's main point of contact. (He had no government position [redacted])

Other facts communicated by Polindexter including the following:

-- USG shipped a total of 2008 Tow missiles, and 140 line items (spares, etc.) for Hawk air defense batteries (which U.S. experts believe will prove useless);

5/6/87

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-- Israel agreed to ship only what the USG allowed, but Poindexter believes Israel has shipped what it wanted to ship, though such shipments may now be suspended or slowed;

-- Iran paid in advance for these shipments to Israel, which paid the USG through a "proprietary". Poindexter is sure that the arms merchant took his profit, but does not know how much was paid by Iran, only how much was paid to the CIA and DOD;

-- NSC kept no memcons of any of the meetings involved, Poindexter said. Some recordings do exist, however, of meetings with Iranians. Sofaer asked that they be transcribed promptly.

-- At least one contact has been made after public exposure of this channel. The Iranians indicated they were still trying to obtain the release of two remaining American hostages, and to find out the location of the three hostages most recently seized;

-- Poindexter believes the USG should continue to pursue the objectives of the finding, but did not say anything about future arms transfers. He said that the effort was now less tightly held so State could be more involved.

-- Armacost and Sofaer emphasized the need to prepare all witnesses carefully, and to answer correctly all questions, especially those related to activities prior to January 17.

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**DRAFT FOLLOWS**

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## MEMORANDUM OF CONVERSATION

Participants: ~~SECRET~~

Admiral Poindexter  
NSC Attorney Paul Thompson  
Under Secretary Armacost  
Judge Sofaer

Place and Time:

Admiral Poindexter's Office  
November 18, 1986, 6:00 - 7:30 p.m.

Subject:

Iran

At 6 p.m. November 18, Messrs. Armacost and Sofaer met with Admiral Poindexter and Mr. Thompson. Poindexter presented a review of some of the facts concerning USG arms transfers to Iran. Although from time to time Poindexter referred to a document that appeared to be a chronology, the presentation was not strictly chronological. Armacost and Sofaer interrupted periodically with questions. The following outline emerged:

1. June 1985. The idea of opening a channel to Iran was expressly considered in connection with (a) an NIE describing increasing internal turmoil in Iran and Soviet efforts to exploit it and (b) a proposed NSDD that suggested the use of arms sales as part of a strategy of dialogue.

Both Defense and State formally expressed their opposition to this portion of the strategy.

2. July 1985. Israeli MFA Director General David Kimche visited the U.S., met with McFarlane, and proposed to him that the U.S. allow Israel to transfer a quantity of arms to Iran to facilitate the establishment of a channel to an authoritative Iranian, [REDACTED]

[REDACTED] and Menachehr Gorbanifar, who might be useful in helping get the release of U.S. hostages. [REDACTED] was to be the channel for policy; Gorbanifar the channel for hostage issues. McFarlane expressly refused to sanction such a shipment and made it clear that the U.S. would not trade arms for hostages. He did, however, express a strong interest in establishing a channel to Iran, and in response to a question he opined that the USG would not stop selling arms to Israel if a transfer occurred.

McFarlane apparently informed the President of this action.

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3. September 1985. Israel transferred 508 TOW anti-tank missiles to Iran. It is not clear what understandings there may have been with respect to USG replacement of equipment shipped by Israel to Iran.

*December 1985*

A meeting was held in the President's quarters to discuss the issue, with Secretaries Shultz and Weinberger present. Both objected to such arms transfers, citing, inter alia, legal obstacles.

The NSC subsequently asked Attorney General Meese to review the legal issues.

4. October-December 1985. Meetings occurred in London and elsewhere between McFarlane, CIA and NSC officials, Iranians, and Israelis, at least initially to check out the bona fides of [redacted] and Gorbaniyar, a second Iranian channel. Prime Minister Peres chose his counter-terrorist coordinator, Aviram Nir, to represent Israel. These discussions made clear that the September transfer had potentially opened a channel for the U.S. to [redacted] who actually attended a December meeting with McFarlane in London. (Poindexter told Armacost he was unsure whether the Israeli initiative reflected their desire to be helpful or their search for sanction for their own arms shipments. Israel agreed to ship only what the U.S. asked it to, but it is likely it shipped whatever it wanted. The NSC assumed it couldn't verify Israeli activities and sought therefore to harness them to its own "project.")

At the December meeting, McFarlane laid out U.S. objectives. [redacted] told him that Iran could stop hostage-taking and that Khomeini had issued a Fatwa (religious pronouncement) to the effect that terrorism is inconsistent with the Koran. (No one has been able to corroborate whether such a document was actually issued.)

*January 1986*

5. December 1985. A meeting was held in the President's quarters with Weinberger, McFarlane, and Meese in attendance. (Poindexter was unclear as to whether Shultz was present). The President heard a report on the project, as well as all views, and was told by Meese that he could lawfully proceed with the plan as a covert intelligence operation. The President decided to proceed and ordered the preparation of a finding.

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6. January 14, 1986. The President signed a finding on Iran. (Poindexter showed it to Armacost and Sofaer.) It is carefully drafted; it stresses the strategic issues and mentions the return of the hostages as the third objective being sought.

7. February-April 1986. Meetings took place between representatives of the U.S. (NSC and CIA), Israel, and Iran [REDACTED]. The Iranians with whom the U.S. was in touch were young; they claimed that the U.S. needed to demonstrate the tangible benefits they would derive from dealing with the U.S. through arms transfers, including TOWs.

The U.S. periodically gave the Iranians intelligence [REDACTED]

Additional shipments of arms were also provided during this period, specifically 1000 TOWs to Iran and 508 TOWs to Israel to replace the September 1985 shipment.

8. May 1986. McFarlane visited Tehran and attempted to establish higher contacts. He eventually met advisers of the leadership, but none of the three top leaders was willing to meet him. The Iranians wanted the meetings, but failed to prepare for the visit. (Poindexter attributed the disappointing results of the trip to Iranian disarray. He gave Armacost a copy of the talking points prepared for McFarlane's use in Tehran.)

9. May-November 1986. Discussions and other activities continued. (Thompson had told Sofaer earlier in the day that at least one shipment of arms may have reached Iran after August 1986, when Congress passed a law prohibiting all transfers to Iran.) The operation became public when an Iranian faction sought to embarrass Rafsanjani [REDACTED]

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